



|  | Month (%)  | Quarter (%) | FYTD (%)   | 1 Year (%)  | 3 Years (% p.a.) | Since Inception^ (% p.a.) | Since Inception Cumulative^ (%) |
|--|------------|-------------|------------|-------------|------------------|---------------------------|---------------------------------|
| Perennial Value Microcap Opportunities Trust (Net) | -1.7       | 15.1        | 15.1       | 17.4        | 24.5             | 25.8                      | 131.7                           |
| S&P/ASX Small Ordinaries Accumulation Index        | -2.8       | 5.7         | 5.7        | -3.3        | 6.5              | 7.6                       | 30.8                            |
| <b>Value Added</b>                                 | <b>1.1</b> | <b>9.4</b>  | <b>9.4</b> | <b>20.7</b> | <b>18.0</b>      | <b>18.2</b>               | <b>100.9</b>                    |

^Since inception: February 2017. Past performance is not a reliable indicator of future performance.

## Overview

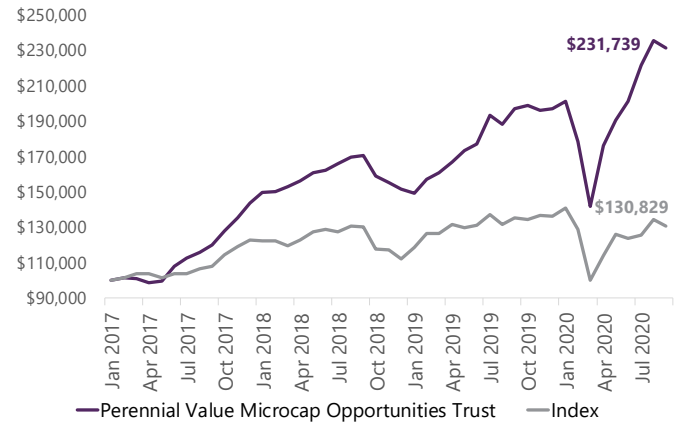
The Trust was down 1.7% for the month outperforming the Small Cap Index (the Index) which was down 2.8%.

The modest pullback in markets follows several strong months for small caps in particular. The weakness was led by profit taking in those names and sectors which had led the rebound – namely technology, healthcare and those stocks which structurally benefitted from the COVID-19 lockdowns. While the selloff was warranted in most names, we do think the market is underestimating the significance of the structural benefit and customer acquisition from COVID-19 for specific names such as Genetic Signatures and Marley Spoon – hence we added to our position in both on weakness.

Micro-X (up 23.7%), 4D Medical (up 14.5%) and People Infrastructure (up 12.0%) performed well by contrast.

The Trust remains positioned in stocks providing a mix of strong earnings growth but with an average valuation at a discount to the market. The portfolio average PE ratio of 11.9x remains at a sizeable discount to the Index which is 17.1x for FY22.

## Growth of \$100,000 Since Inception



Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

## Perennial Value Microcap Opportunities Trust

The aim of the Trust is to grow the value of your investment over the long term by investing in a portfolio of Australian companies that are either listed or unlisted companies found outside the S&P/ASX Top 100 Index, and to provide a total return (after fees) that exceeds the S&P/ASX Small Ordinaries Accumulation Index measured on a rolling three-year basis.

### Portfolio Managers

Andrew Smith and Sam Berridge

### Trust FUM

AUD \$265 million

### Distribution Frequency

Annual

### Minimum Initial Investment

\$25,000

### Trust Inception Date

February 2017

### Fees

1.20% p.a. + Performance fee

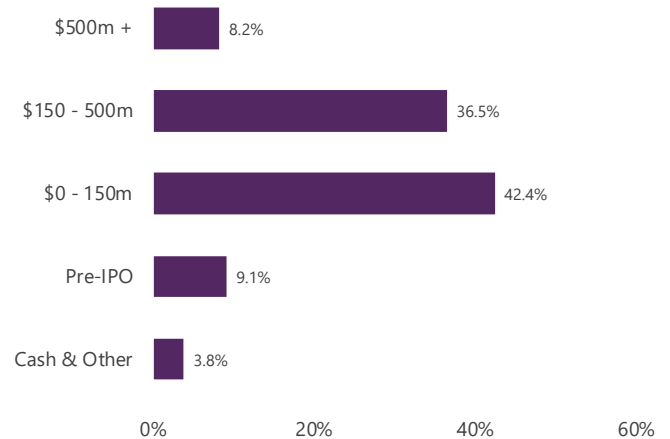
### APIR Code

WPC3982AU

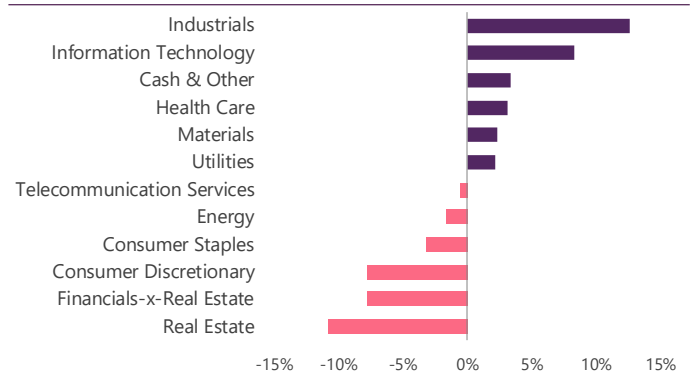
## Top 5 Positions

|                              | Trust (%) | Index (%) |
|------------------------------|-----------|-----------|
| ALLIANCE AVIATION SERVICES L | 3.2       | 0.0       |
| SWICK MINING SERVICES LTD    | 3.1       | 0.0       |
| SCIDEV LTD                   | 2.9       | 0.0       |
| MARLEY SPOON AG              | 2.8       | 0.0       |
| JANISON EDUCATION GROUP L    | 2.4       | 0.0       |

## Market Capitalisation Exposure



## Sector Active Exposure vs Index



## Trust Review

**Atrum Coal** (up 23.4%) bounced with a recovery in coking coal prices and positive updates regarding progress of its pre-feasibility study for the Elan coking coal project.

**Micro-X** (up 23.7%) announced the first sale of their Rover mobile X-ray unit in a contract facilitated by the World Health Organisation.

**4D Medical** (up 14.5%) announced approval for their XV Lung Ventilation Analysis software by the Australian TGA – allowing the commercialisation for the first time in their home market.

**De.mem Ltd** (up 14.3%) announced several contracts during the month, water purification for a power generation system and a third contract with Givaudan for waste water treatment at their Singaporean facility.

**Janison Education** (up 3.9%) announced a positive quarterly sales update. Importantly, the company's Janison Insights online exam platform has been integrated with BrightSpace, a leading global education platform which makes the product readily available to a wider audience of potential clients - both secondary schools and universities.

**MoneyMe** (down 15.3%) was weaker despite what we view as a materially positive announcement of a new warehouse funding facility. The new \$167m facility with Westpac and AOFM reduces funding costs below 5% from 11.4% in the FY20.

While the selloff was warranted in some Index names, we do think the market is underestimating the significance of the structural benefit and customer acquisition from COVID-19 for **Genetic Signatures** (down 25.0%) and **Marley Spoon** (down 20.1%) – hence we added to our position in both on weakness.

The Trust benefited from a large uplift in Laybuy Group as the pre IPO position was converted to ordinary shares following a successful IPO.

At month end, the Trust had 67 positions and cash/derivatives of 3.8%.

## Market Review – Australia (%)

|                                |      |
|--------------------------------|------|
| S&P/ASX Small Ordinaries Index | -2.8 |
| Energy                         | -3.8 |
| Materials                      | -3.9 |
| Industrials                    | -3.1 |
| Consumer Discretionary         | -0.9 |
| Consumer Staples               | -3.0 |
| Health Care                    | -1.7 |
| Financials-x-Real Estate       | -9.5 |
| Real Estate                    | -0.1 |
| Information Technology         | -8.5 |
| Telecommunication Services     | +2.5 |
| Utilities                      | -5.1 |

## Contact Us

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Microcap Portfolio Managers: Sam Berridge (left) and Andrew Smith (right)